GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3550
ANSWERED ON:15.12.2006
IT FORM
Singh Shri Rakesh

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has decided to make changes in Income Tax Form-2F;

(b) if not, the reasons therefor;

(c) the difficulties in continuing with Naya Saral; and

(d) the special advantage, if any, with Form 2F?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE: (SHRI S.S. PALANIMANICKAM)

(a) There is no proposal to make any change in Form No.2F.

(b) It is not a difficult exercise to fill Form No.2F.

(c) The reason for not continuing with the Naya Saral (Form No.2E) are:-
(i) Since it was a one-page return form, it did not provide sufficient space to fill out the relevant details;
(ii) It did not provide the opportunity to the taxpayers to disclose the inflow and out flow of money. In absence of such details in the return form, a taxpayer would have to be called upon to explain the transactions with are reported in Annual Information Returns (AIRs).

(d) Form No.2F provides sufficient space to fill out the relevant details. Further, this form can be easily filled even by a person who does not have adequate knowledge of tax law as all the entries in this form have been duly explained and are cross referenced. Cash flow Statement provided in this form provides an opportunity to the taxpayers to disclose the inflow and out flow of money from which transactions reported in Annual Information Returns (AIRs) can be verified without calling upon the taxpayers to explain the same.